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14 DEC 1973

CIA No. 7907

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MEMORANDUM FOR:

Assistant Deputy Director for Intelligence
Defense Intelligence Agency

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SUBJECT : Updating of Estimates on Soviet Exports of
Military End Items to Eastern Europe

REFERENCES :

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2. We will continue to send you annual revisions as soon as feasible after we receive the Soviet trade data on which the estimates are based.

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MAURICE C. ERNST
Director
Economic Research

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Attachments:
As stated above

Distribution: (S-5759) All w/att
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2 - D/OER
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OER/D/U/EE: (12 Dec 73)

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Estimated Soviet Shipments of Military End Items
to Eastern Europe in 1972

The attached tables update through 1972 our estimates of Soviet military shipments to the East European countries: Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania, and Yugoslavia. Table 1 contains estimates of these shipments in millions of U.S. dollars for 1960-1972. Table 2 shows these same estimates (except for Yugoslavia) expressed as index numbers with 1960 = 100. Table 3 presents the summary data on which the estimates have been based.

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The method used for estimating shipments in 1972 is the same as that in previous publications and memoranda. It is assumed that Soviet statistics on total exports to Eastern Europe include military shipments. A residual is calculated which discloses the difference between the reported total and the sum of the values of items exported to each country. This residual represents an upper limit for the value of Soviet military shipments. This year, normally itemized grain shipments were omitted from the 1972 Soviet yearbook, Vneshnyaya Torgovlya SSSR. Residuals calculated for Czechoslovakia, East Germany, and Poland

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were further adjusted by the estimated value of these exports. Since the residuals conceivably contain other non-military exports, correction factors of 1% and 3% have been deducted from each country's residual. This yields the range of estimates within which Soviet military exports, by and large, are believed to fall.

In 1971 the Soviets changed the way they record certain commodities in their yearbook. Some of the commodities were switched to a different classification and a few commodities that used to be under one classification were divided among several different classifications. For trade with each of the countries the overall level of aggregation of categories remained the same. A comparison of Soviet figures for the year 1970 from the 1970 and 1971 handbooks was discussed [REDACTED]

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[REDACTED] Figures calculated for 1970 from the 1971 handbook were retained in this memorandum. During 1972 the devisa exchange rate increased from US \$1.11 to an average US \$1.21 per ruble, inflating calculations for 1972 by approximately 9%. To facilitate comparisons with earlier years, figures for 1972 have also been recorded at the 1971 devisa exchange rate.

There was a noticeable increase in overall Soviet military exports to Eastern Europe in 1972 -- even when

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calculated at constant 1971 exchange rates. The largest increases were recorded by Romania, 16.9%, and East Germany, 14.8%. Bulgaria and Poland also registered increases, but estimates for Czechoslovakia and Hungary declined sharply.

Polish statistics for 1972 like those for previous years since 1960 [REDACTED] support the estimates for Poland from Soviet statistics. It appears that the Poles include practically all imports of military end items under the total given for machinery and equipment imports. Polish data shows that imports of machinery and equipment from the USSR for 1972 totalled \$522 million at 1971 exchange rates while Soviet data for exports to Poland of machinery and equipment were \$280 million for 1972. The difference is of the same order of magnitude as the residual found in Table 3 for the same year.

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Table 1

Estimated Soviet Shipments of Weapons to Eastern Europe a/
1960-72

Year							Million US Dollars	
	Bulgaria	Czechoslovakia	East Germany	Hungary	Poland	Romania	Total	Yugoslavia
1960	40 to 47	73 to 86	74 to 95	28 to 34	72 to 81	5 to 10	292 to 353	3 to 4
1961	54 to 62	67 to 80	91 to 115	50 to 57	95 to 106	24 to 30	381 to 450	6 to 7
1962	60 to 69	69 to 85	103 to 130	68 to 77	91 to 103	39 to 46	430 to 510	19 to 20
1963	32 to 42	70 to 87	112 to 138	64 to 73	94 to 107	51 to 59	423 to 506	23 to 25
1964	36 to 47	123 to 141	131 to 159	49 to 59	126 to 139	84 to 94	549 to 639	36 to 39
1965	19 to 31	108 to 127	124 to 151	61 to 72	138 to 153	58 to 66	509 to 600	33 to 36
1966	7 to 21	86 to 104	140 to 168	17 to 27	140 to 156	31 to 39	421 to 515	52 to 56
1967	7 to 22	81 to 101	122 to 151	35 to 47	129 to 147	36 to 44	410 to 512	104 to 110
1968	43 to 62	89 to 110	188 to 218	44 to 59	202 to 223	53 to 61	619 to 733	83 to 89
1969	62 to 82	104 to 126	289 to 324	43 to 57	196 to 220	71 to 81	765 to 890	59 to 64
1970 b/	40 to 58	114 to 138	313 to 352	56 to 72	195 to 222	95 to 105	813 to 947	91 to 98
1971	87 to 109	115 to 142	233 to 271	67 to 87	174 to 202	54 to 64	730 to 875	58 to 64
1972 c/	90 to 115	101 to 129 e/	271 to 308 e/	54 to 74	180 to 209 e/	64 to 74	759 to 908 e/34 to 40	
1972 d/	98 to 125	110 to 140 e/	295 to 335 e/	59 to 80	196 to 227 e/	70 to 81	827 to 990 e/37 to 44	

- a. The estimated range was obtained by deducting 1 to 3 percent of Soviet exports from the trade residuals.
- b. Figures taken from 1971 Vneshnyaya Torgovlya SSSR.
- c. Figures computed at 1971 Ruble-Dollar devisa exchange rate.
- d. Figures computed at 1972 Ruble-Dollar devisa exchange rate.
- e. Corrected for grain shipments.

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Table 2

Indexes of Estimated Soviet Shipments of Weapons to Eastern Europe a/
1960-72

Year	Bulgaria	Czechoslovakia	East Germany	Hungary	Poland	Romania
1960	100	100	100	100	100	100
1961	133	92	122	173	131	360
1962	148	97	138	234	127	567
1963	85	99	148	221	131	733
1964	95	166	172	174	173	1,187
1965	58	148	163	215	190	827
1966	32	119	182	71	193	467
1967	33	114	162	132	180	533
1968	120	125	240	165	278	764
1969	165	145	363	162	272	1,013
1970 b/	113	158	393	206	273	1,333
1971	225	162	298	248	246	787
1972 c/	235	145 e/	342 e/	206	255 e/	920
1972 d/	256	158 e/	372 e/	224	277 e/	1,007

a. Midpoint of range shown in Table 1.

b. Figures taken from 1971 Vneshnyaya Torgovlya SSSR.

c. Figures based on 1971 Ruble-Dollar devisa exchange rate.

d. Figures based on 1972 Ruble-Dollar devisa exchange rate.

e. Corrected for grain shipments.

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Table 3

Residuals in Soviet Exports to Eastern Europe and Yugoslavia a/
1960 - 72

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970 b/	1971	1972 c/	1972 d/
Eastern Europe														
Bulgaria														
Total exports (mil US \$)	329.0	356.2	447.6	495.4	566.7	588.4	697.1	761.9	949.3	974.3	937.7	1,093.3	1,246.0	1,356.9
Residual (mil US \$)	50.0	65.1	73.0	46.8	52.6	36.8	27.7	29.8	71.4	91.5	67.8	119.6	127.6	138.9
Residual as a % of total exports	15.2	18.3	16.3	9.4	9.3	6.2	4.0	3.9	7.5	9.4	7.2	10.0	10.2	10.2
Czechoslovakia														
Total exports (mil US \$)	630.8	652.7	770.7	849.0	900.8	925.9	894.0	967.4	1,038.0	1,109.6	1,203.0	1,352.9	1,393.0	1,517.0
Residual (mil US \$)	92.1	86.9	92.4	95.1	149.8	136.4	113.1	110.3	120.0	136.8	150.4	155.8	142.8e/	155.5 e/
Residual as a % of total exports	14.6	13.3	12.0	11.2	16.6	14.7	12.7	11.4	11.6	12.3	12.5	11.5	10.3	10.3
East Germany														
Total exports (mil US \$)	1,051.7	1,209.1	1,372.7	1,313.9	1,385.0	1,363.0	1,406.8	1,415.9	1,506.4	1,739.0	1,931.2	1,906.6	1,856.4	2,021.7
Residual (mil US \$)	105.4	127.5	144.2	151.1	172.8	164.8	182.8	164.8	233.2	341.1	371.3	289.8	326.2e/	355.3e/
Residual as a % of total exports	10.0	10.5	10.5	11.5	12.5	12.1	13.0	11.6	15.5	19.6	19.2	15.2	17.6	17.6
Hungary														
Total exports (mil US \$)	311.4	359.3	411.1	443.4	492.4	545.9	504.6	585.5	675.4	700.0	842.6	978.7	1,004.0	1,093.4
Residual (mil US \$)	37.0	60.8	80.8	77.4	63.6	77.0	32.2	52.7	64.8	64.1	80.8	96.8	83.9	91.4
Residual as a % of total exports	11.9	16.9	19.7	17.5	12.9	14.1	6.4	9.0	9.6	9.2	9.6	9.9	8.4	8.4

- a. For years 1956-1959 see 1970 tables. Small discrepancies . figures are the result of correction of 1970 tables.
- b. Figures taken from 1971 Soviet Yearbook.
- c. Figures converted at 1971 Ruble-Dollar devisa exchange rate.
- d. Figures converted at 1972 Ruble-Dollar devisa exchange rate.
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Residuals in Soviet Exports to Eastern Europe and Yugoslavia

1960-72

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970 b/	1971	1972 c/	1972 d/
Poland														
Total exports (mil US \$)	490.8	530.7	594.1	662.5	660.0	726.7	803.2	912.1	1,050.1	1,199.0	1,349.9	1,436.0	1,452.1	1,581.3
Residual (mil US \$)	86.3	111.4	108.5	113.4	145.4	159.9	163.6	156.2	233.8	231.9	235.7	216.8	223.1e/	243.0e/
Residual as a % of total exports	17.6	21.0	18.3	17.1	22.0	22.0	20.4	17.1	22.3	19.3	17.5	15.1	15.4	15.4
Romania														
Total exports (mil US \$)	260.7	291.8	374.8	399.0	493.0	402.8	386.3	394.6	416.7	476.4	494.0	473.9	522.6	569.1
Residual (mil US \$)	12.5	32.7	50.1	63.3	99.2	70.3	42.9	47.8	65.6	85.5	109.4	68.7	79.7	86.8
Residual as a % of total exports	4.8	11.2	13.4	15.9	20.1	17.5	11.1	12.1	15.7	17.9	22.2	14.5	15.3	15.3
Total														
Total exports (mil US \$)	3,074.4	3,399.8	3,971.2	4,163.2	4,498.2	4,552.7	4,692.0	5,037.4	5,635.9	6,198.4	6,758.4	7,241.4	7,474.1	8,139.4
Residual (mil US \$)	283.3	484.4	549.0	547.1	683.4	645.2	561.9	561.6	788.8	950.9	1,015.4	947.5	983.2e/	1,070.9e/
Residual as a % of total exports	12.5	14.2	13.8	13.1	15.2	14.2	12.0	11.1	14.0	15.3	15.0	13.1	13.2	13.2
Yugoslavia														
Total exports (mil US \$)	55.1	35.9	72.3	96.3	134.1	145.1	213.9	280.3	289.1	244.7	326.1	326.1	313.0	340.9
Residual (mil US \$)	4.3	7.4	21.0	25.6	40.1	37.8	58.3	112.4	91.6	66.2	100.8	67.7	43.5	47.4
Residual as a % of total exports	7.8	20.6	29.0	26.6	29.9	26.1	27.3	40.1	31.7	27.1	30.9	20.8	13.9	13.9

- For years 1956-1959 see 1970 tables. Small discrepancies in figures are the result of correction of 1970 tables.
- Figures taken from 1971 Soviet Yearbook.
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